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Remarks

Applicant has amended the claims for clarity and to overcome the Examiner's objection on formal grounds.

Claim 1

The Examiner has rejected all claims based upon the DiAngelo patent, taken alone and in combination with other references.

The DiAngelo patent is directed to a browser plug-in that provides a "universal" shopping cart, so that a user may engage in multiple shopping sessions at multiple on-line vendors and retain information in the "virtual" shopping cart regarding goods for sale at these multiple vendors.

As part of the DiAngelo process, his system stores personal information such as name, location, credit card number, or other verifying or authenticating information for the user of the system.

The Examiner has rejected claims 1-7 based on DiAngelo, citing to the virtual shopping cart and personal information storage functions noted above. However, the present invention is clearly distinct from what DiAngelo proposes.

Specifically, claim 1 is directed to storing a customer profile on a customer data storage device, from which the profile may be delivered to a merchant and to which a transaction record may be stored. Unlike what DiAngelo proposes, the customer data storage device identified in claim 1 is not necessarily used in on-line transactions with vendors; rather, it is portable and can be taken with the customer to traditional brick-and-mortar retail sites where

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the steps of claim 1 may be carried out. Such portability is the purpose of storing the customer profile and transaction record on a customer data storage device.

The concept of claim 1 has a distinct advantage: it is not wedded to on-line retailing and thus may be utilized by customers who (by preference or necessity) do not use on-line retailers for purchases.

To clarify what the claimed customer data storage device is, and that it is suitable for use in both the use of on-line and off-line retail transactions, claim 1 has been amended to recite that, "as part of a transaction, physically presenting the customer data storage device at a merchant location". Clearly, this step can only be performed at a traditional brick-and-mortar retail site. As is apparent from this language in claim 1, the customer data storage device and the method recited by claim 1 is usable at merchant locations, as well as on-line. This is a distinct and patentable advantage over what is disclosed by DiAngelo.

#### Claims 2-7

The foregoing remarks dispose of the Examiner's rejections of claims 2-7, each of which is dependent upon the allowable claim 1, and each of which was rejected based on DiAngelo, taken alone. However, Applicant would note disagreement with the Examiner's assertion with respect to claims 4 and 5 that a smart card or a PDA would have been an obvious extension of the DiAngelo methodology. As noted above, DiAngelo is directed specifically to on-line shopping in which the shopping transaction is conducted in the context of an Internet browser on a client computer. Indeed, "Internet client" this is defined carefully by DiAngelo at

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col. 10, lines 45-54 and excludes off-line devices. Applicant submits that in no way is DiAngelo directed to or suggestive of unrelated, off-line tools such as a smart card or PDA.

Claim 8

The Examiner's rejection of claim 8 is based upon DiAngelo combined with the Burge patent. Claim 8 depends from claim 1 and thus this rejection is moot in view of the above remarks.

Claim 9

The Examiner's rejection of claim 9 is based upon DiAngelo combined with the Kolls patent. Claim 9 depends from claim 1 and thus this rejection is moot in view of the above remarks.

Claims 10-12 and 17-18

The Examiner's rejection of claims 10-12 and 17-18 is based upon DiAngelo combined with the Franklin patent.

The Franklin patent is similar to the DiAngelo patent in its disclosure of a "shopping cart" model for on-line shopping, and the provision for a "wallet" within which the consumer's payment-related information can be stored for use in consummating a transaction. The Examiner's rejection focuses upon this latter function, citing to col. 7, lines 59-67 of Franklin, which describes password-based protection of the credit card number etc. of the consumer.

Claim 10, which is independent, is directed to a substantially distinct concept than either of DiAngelo or Franklin. Specifically, claim 10 recites a method in which the "purchase

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transactions of a subordinate person” may be controlled via the use of a “customer data storage device”. Contrary to the Examiner’s assertions, neither DiAngelo nor Franklin is directed to controlling transactions of subordinate persons. As noted, the text in Franklin cited by the Examiner as related to this concept, only notes the use of password-based protection of a credit card number.

The Examiner may be misreading claim 10 such that the mere encryption of a credit card number, per se, as disclosed by Franklin, is deemed a “control” on a transaction of a subordinate, and that the password that decrypts the credit card number is deemed the “transaction limitation”. This reading of claim 10 is inappropriate, as the claim specifically recites that the “transaction limitation” is communicated “from the customer data storage device to the merchant”; in contrast, a password that is withheld from a subordinate, could not be communicated by the subordinate to a merchant. Furthermore, claim 10 recites that authorization is prevented “based on the transaction limitation”. If a subordinate did have the Franklin password and communicated it, the transaction would proceed, not be prevented. In other words, the language of claim 10 makes clear that the “transaction limitation” is a different kind of limitation than a mere password - exactly because it is usable to deny a transaction, as well as permit one.

The Examiner will appreciate the substantial advantages, for example in a parental context, or in the context of an expense account for business-related transactions, of providing a specific controls on transactions of subordinate persons. As neither DiAngelo nor Franklin deals

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with this issue, Applicant submits that claim 10 and the claims that depend therefrom, are allowable over these references.

Claims 13-16

The Examiner's rejection of claims 13-16, which depend from claim 10, is based upon the Examiner's citation of the Solokl patent in combination with DiAngelo and Franklin. This rejection is moot in view of the allowability of claim 10 over DiAngelo and Franklin. Furthermore, claim 10 and thus all of claims 13-16 clearly distinguish Solokl.

Solokl is directed to a centralized service that maintains a database of service members, and member profiles including spending limits, types of products that may be purchased, and fund sources. The Solokl service may authorize transactions through a cooperating financial institution or by verifying funds on deposit with the service itself.

Notably, the Solokl service relies upon centralized storage of information and communication between a merchant and the centralized storage when attempting to consummate a purchase. This is distinct from the concept of claim 10, in which the subordinate person will have a customer data storage device and the transaction limitation will be "electronically communicat[ed] ... from the customer data storage device to the merchant". Thus, the merchant need not subscribe to or connect with a central server -- the information needed is available from the customer data storage device.

To clarify that the customer data storage device is a device that is local to the customer, claim 10 has been amended to explicitly recite "providing the subordinate person with

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physical possession of a customer data storage device", i.e., the customer data storage device is not a part of a central system but in the personal possession of the subordinate person.

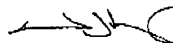
There are distinct advantages arising from the consumer having the data storage device. These specifically include the facts that the system is decentralized, and neither the merchant nor the consumer need to necessarily subscribe or communicate with a central system to utilize the method of claim 10 or any claim that depends therefrom. Applicant therefore submits that claims 13-16 are clearly allowable over Solokl.

#### Conclusion

In view of the foregoing, Applicant submits that all claims are allowable and requests early transmission of a Notice of Allowability.

This response is believed to be timely submitted. If, however, any petition for extension of time is necessary to accompany this communication, please consider this paper a petition for such an extension of time, and apply the appropriate extension of time fee to Deposit Account 23-3000. If any other charges or credits are necessary to complete this communication, please apply them to Deposit Account 23-3000.

Respectfully submitted,



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